

The World Economy: A Millennial Perspective. By Angus Maddison. Paris: OECD Development Centre Studies, 2001. Pp. 383. \$26.00, paper.

World income per capita has multiplied by 13-fold over the past millennium, even as population grew by a factor of 22. This is just one of the results emerging from Angus Maddison's most recent book. To readers familiar with his previous work, the new volume will appear as an impressive extension of his efforts to reconstruct long-run trends in the world economy. Together with an extension of his path-breaking work on capitalist development since 1820, Maddison assesses the evolution of the West and its connections with the world development since the year 1000. This global perspective and millennial reach are the book's major novelties.

Maddison draws long-run trends in economic performance across countries and over time on the basis of national evidence on GDP, population, and GDP per capita, without neglecting demographic and social indicators. The massive evidence is provided by his own work (his recent study on China is a case in point) but most of it derives from an expanding literature on historical national accounts, that owes a great deal to Maddison's persuasive encouragement. He freely admits that his quantification involves a good deal of contestable

conjecture; but even so, his approach represents a step ahead of qualitative narrative. He describes his procedures transparently in 200 pages of appendices, in the hope that the book will be a launching pad for future research on centuries hitherto considered impenetrable to macroeconomic analysis.

A major feature of the book is its intercountry comparisons of real income. Maddison converts constant-price GDP, expressed in national currencies, into a common *numeraire*, 1990 dollars, adjusted for differences in national price levels. Real product benchmarks for 1990 are then moved over time with GDP volume series, computed at national prices. Maddison is fully aware of the complex index-number problem involved, and of the wide margin of error in the resulting figures, but he maintains that it is the best option for international historical comparisons. Using today's relative prices to ascertain income levels thousand years back in time, it can be objected, may cast anachronistic results.

Maddison intrudes in a field heretofore preserved for theoretical and qualitative speculation, on the grounds that the relevant facts are too complex for statistical summary. When did the West rise above its Asian rivals? This is a recurrent question that has experienced a revival recently. In this ongoing debate there are the views of those who claim that Europe was already ahead by 1500 and that, by 1750, the differences with the rest of the world were clearly established (D. S. Landes), and of those who maintained that only after 1800 did Europe's supremacy become an uncontested fact (P. Bairoch, A. Gunder Frank, K. Pomeranz). The quantitative evidence presented by Maddison should be read as explicit conjectures that tends to support the former. Over the period 1000–1500 western Europe grew at twice the pace of the world as a whole, and by 1500 its per capita income was a third above the world average, and higher than China's; by 1820, it was 80 percent higher than the world average. The origins of British hegemony can be also traced in Maddison's essay. Britain's per capita income was above western Europe's by 1600 and second only to the Dutch by 1700, a view largely in agreement with Robert Allen's recent research. The consolidation of Western hegemony over the period 1820–1870 is a third major finding.

Maddison's views are open to criticism, particularly as regards his assumptions. For example, why assume that British growth over the years 1500–1700 was the same as for 1700–1801? What are the grounds for assimilating French growth to Belgium's? A more substantial objection is Maddison's neglect of Spain in his discussion of the West's impact on the rest of the world. Moreover, he is not fully convincing in his attempt to establish the failure of Iberian institutions in the Americas by means of a comparison with Britain's North American colonies is not fully convincing; indigenous populations and relative factor endowments should be taken into account, especially for the cases of Mexico and Peru. Perhaps British India would provide a more appropriate comparison case in these instances.

To sum up, this is a major contribution to historical economics. Angus Maddison's thought-provoking arguments about the emergence and widening of world income differences over a millennium will arouse the interest of the profession and deserves reaching a wider audience.

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